

AMENDED IN ASSEMBLY APRIL 1, 2013
AMENDED IN ASSEMBLY MARCH 11, 2013
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 166

**Introduced by Assembly Member Roger Hernández
(Coauthors: Assembly Members Ian Calderon, Mullin, and Ting)**

January 23, 2013

An act to ~~add Section 51220.7 to~~ amend Sections 51282 and 51824 of, and to amend the heading of Article 6 (commencing with Section 51280) of Chapter 2 of Part 28 of Division 4 of Title 2 of, the Education Code, relating to pupil instruction.

LEGISLATIVE COUNSEL’S DIGEST

AB 166, as amended, Roger Hernández. Pupil instruction: ~~economics; personal finances~~ *financial literacy*.

Existing law requires a school district, as part of its adopted course of study for grades 7 to 12, inclusive, to offer courses in specified areas of study, including, among others, social sciences, drawing upon the disciplines of anthropology, economics, geography, history, political science, psychology, and sociology. *Existing law requires the Superintendent of Public Instruction to make available to teachers a curriculum, as specified, on, among other things, financial preparedness. Existing law also requires the State Board of Education to integrate, among other things, financial preparedness with specified academic areas, as specified.*

This bill would ~~require the instruction provided in economics to include instruction related to personal finances, including, but not limited to, budgeting and managing credit, student loans, and debt, thereby~~

~~imposing a state-mandated local program. The bill would require the State Department of Education to develop a personal finances curriculum in the next cycle in which the history-social science curriculum framework is adopted~~ *revise the curriculum that is required to be made available, to instead require the Superintendent to make available a curriculum that includes instruction on financial literacy, including, but not limited to, budgeting and managing credit, student loans, and debt. The bill would also require the state board to integrate financial literacy, as specified, with those specified academic areas. The bill would also make conforming changes.*

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~yes~~-no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) California does not have an official statewide policy or
- 4 educational plan for the teaching of financial literacy.
- 5 (b) According to the 2011 Consumer Financial Literacy Survey
- 6 Final Report of the National Foundation for Credit Counseling,
- 7 one in three adults in the United States reported that they had no
- 8 savings.
- 9 (c) Two in five adults give themselves a grade of C, D, or F on
- 10 their knowledge of personal finance.
- 11 (d) Ninety-three percent of Americans indicated in a 2010 Visa
- 12 survey that they believe all high school students should be required
- 13 to take a class in financial literacy.
- 14 (e) A biennial survey by Jump\$tart Coalition for Personal
- 15 Financial Literacy, conducted from 1997 to 2008, inclusive,
- 16 showed that financial literacy of high school seniors had fallen
- 17 from 57 percent in 1997 to a record low of 48 percent in 2008.

1 (f) A 2011 Junior Achievement and Allstate Foundation survey
2 revealed nearly 50 percent of American teenagers are unsure how
3 to use a credit card effectively, yet 24 percent believe high school
4 or younger is when they should get their first credit card.

5 (g) According to a 2011 Capitol One survey of the students
6 planning to take out student loans, 44 percent of the students said
7 that they have either not discussed with their parents how student
8 loans work, or they have had a brief conversation with little detail.

9 (h) Financial literacy education is an essential component of
10 preparing individuals to manage money, credit, and debt, and of
11 becoming responsible workers, heads of households, investors,
12 entrepreneurs, business leaders, and citizens.

13 (i) The teaching of financial literacy skills empowers young
14 Californians with the tools they need to enter a globally competitive
15 workforce.

16 (j) In recognition of the importance of teaching financial literacy,
17 46 states report having personal finance standards in various forms,
18 while 13 of those states include personal finance instruction as
19 part of their graduation requirement.

20 (k) At this crucial economic time, it is imperative that California
21 encourage the provision of financial literacy instruction for all
22 students.

23 ~~SEC. 2. Section 51220.7 is added to the Education Code, to~~
24 ~~read:~~

25 ~~51220.7. (a) The instruction provided in economics pursuant~~
26 ~~to subdivision (b) of Section 51220 shall include instruction related~~
27 ~~to personal finances, including, but not limited to, budgeting and~~
28 ~~managing credit, student loans, and debt.~~

29 ~~(b) The department shall develop a personal finances curriculum~~
30 ~~in the next cycle in which the history-social science curriculum~~
31 ~~framework is adopted.~~

32 ~~SEC. 3. If the Commission on State Mandates determines that~~
33 ~~this act contains costs mandated by the state, reimbursement to~~
34 ~~local agencies and school districts for those costs shall be made~~
35 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
36 ~~4 of Title 2 of the Government Code.~~

37 *SEC. 2. The heading of Article 6 (commencing with Section*
38 *51280) of Chapter 2 of Part 28 of Division 4 of Title 2 of the*
39 *Education Code is amended to read:*

1 Article 6. Primary Education Model Curriculum for Lifelong
2 Health, Aging, and Financial-Preparedness Literacy

3
4 SEC. 3. Section 51282 of the Education Code is amended to
5 read:

6 51282. (a) It is the intent of the Legislature to enact legislation
7 to establish educational requirements in order to instill in
8 California's youth a sense of importance about lifelong financial
9 planning and preparation, including, among other things, the costs
10 of health care, in a much-extended later life.

11 (b) Educational institutions have developed a model curriculum
12 in lifelong healthy aging and financial-preparedness literacy, with
13 materials, free of charge, for the Superintendent-of-Public
14 Instruction to disseminate to school teachers at the local level.

15 (c) The Superintendent-of-Public-Instruction shall make this
16 existing curriculum available to teachers, using materials that are
17 currently available at no cost, with information and links provided
18 through the Internet, in order to provide to students pupils in grades
19 7 to 12, inclusive, instruction on human growth, human
20 development, and financial-preparedness literacy, including, but
21 not limited to, budgeting and managing credit, student loans, and
22 debt.

23 SEC. 4. Section 51284 of the Education Code is amended to
24 read:

25 51284. After January 1, 2003, and concurrently Concurrently
26 with, but not prior to, the next revision of text books or curriculum
27 frameworks in the social sciences, health, and mathematics
28 curricula, the State Board of Education state board shall ensure
29 that these academic areas integrate components of human growth,
30 human development, and human contribution to society, across
31 the life course, and also financial-preparedness literacy, including,
32 but not limited to, budgeting and managing credit, student loans,
33 and debt.